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Message Text

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DRAFTED BY:D:DHWOOD
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FM SECSTATE WASHDC
TO AMEMBASSY NAIROBI PRIORITY

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EXDIS, FOR THE DEPUTY SECRETARY

FO RPT CAIRO 7110 ACTION SECSTATE INFO TEHRAN 24 MAY QUOTE

S E C R E T CAIRO 7110

EXDIS

E.O. 11652: GDS
TAGS: EAID EGEN
SUBJ: EMERGENCY ASSISTANCE FOR EGYPT: IRAN

REF: (A) TEHRAN 4623, (B) CAIRO 6348, (C) TEHRAN 4815

1. NOT UNTIL TODAY DID I HAVE A CHANCE TO TALK WITH IRANIAN AMBASSADOR BAHRAMI. HE RELATED THE FOLLOWING: AS AMBASSADOR HELMS HAS REPORTED, WHEN BAHRAMI APPROACHED THE SHAH ABOUT EMERGENCY ASSISTANCE FOR EGYPT, THE SHAH WAS NEGATIVE. WHILE ANXIOUS TO SUPPORT SADAT, THE SHAH ATTRIBUTED HIS INABILITY TO HELP TO THE SHORTFALL IN OIL INCOME. I POINTED OUT THAT WE APPRECIATE IRAN'S CURRENT FINANCIAL PROBLEMS AND THE FACT THAT CASH ASSISTANCE MAY NOT BE POSSIBLE. HOWEVER, AS BAHRAMI WOULD RECALL, WE HAD SUGGESTED AN IRANIAN BANKGUARANTEE, WHICH WOULD INVOLVE NO
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CASH OUTLAY. BAHRAMI CLAIMED HE ALSO MENTIONED THIS

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TO THE SHAH, BUT WAS GIVEN SAME ANSWER.

3. BAHRAMI, WHO SEEMED ANXIOUS TO SEEK ME OUT TO DISCUSS THE MATTER, THEN MADE HIS PITCH. THE SHAH TOLD HIM THAT, IF THE AMERICAN OIL COMPANIES WERE TO EXPRESS WILLINGNESS TO RESUME NEGOTIATIONS WITH IRAN, IT MIGHT BE POSSIBLE FOR IRAN TO DO SOMETHING FOR EGYPT. CLAIMING TO BE SPEAKING PURELY PERSONALLY, BAHRAMI URGED USG APPROACH AMERICAN OIL COMPANIES TO ASK THEM TO RESUME NEGOTIATIONS WITH IRAN ON OUTSTANDING ISSUES. THIS SHOULD BE DONE BEFORE SADAT'S OFFICIAL VISIT TO IRAN BEGINNING JUNE 16. SUCH AN INITIATIVE BY AMERICAN OIL COMPANIES, BAHRAMI OPINED, WHOULD HAVE SALUTARY EFFECT AND MIGHT ENABLE IRAN TO ASSIST EGYPT.

4. I TOLD BAHRAMI I WOULD CONVEY HIS SUGGESTION, BUT NOTED THATIRANIAN HELP FOR SADAT AND THE UNRESOLVED IRANIAN OIL ISSUES ARE REALLY TWO SEPARATE MATTERS THAT OUGHT NOT TO BE LINKED. IT IS IN BOTH IRAN'S AND US INTEREST THAT PRESIDENT SADAT'S POSITION AND POLICIES BE STRENGHTENID THROUGH NEEDED OUTSIDE FINANCIAL SUPPORT IN THIS CRITICAL PERIOD. AS BAHRAMI KNEW, USG IS DOING ITS UTMOST TO HELP. WE CONTINUE TO HOPE THAT IRAN WILL DO THE SAME. BAHRAMI CLAIMED HE PERSONALLY AGREES AND HAD SO RECOMMENDED. UP TONOW, HOWEVER, HE HAS COME UP AGAINST A STONE WALL.

5. RE REFTEL C, BAHRAMI PROFESSED UNAWRENESS OF ANY CROSS DEFAULT PROBLEM.

6. COMMENT: EMBASSY TEHRAN IS BETTER ABLE TO EVALUATE THIS PITCH, BUT IT STRIKES ME AS A CONTRIVED IMPERIAL EFFORT TO USE OUR AVOWED INTEREST IN OBTAINING IRAN'S HELP FOR SADAT AS A MEANS TO GET US TO PRESS THE AMERICAN OIL COMPANIES TO BE MORE ACCOMMODATING TO IRANIAN WISHES. ALTHOUGH BAHRAMI PROFESSED TO BE SPEAKING PERSONALLY, I SUSPECT THIS WAS ALSO AN CONTRIVED LINE. STILL PUZZLING IS THE CONCOMPATIBILITY OF THIS LATEST

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IRANIAN POSITION AND WHAT THE EGYPTIANS PROFESS TO BELIEVE THE SHAH HAS AGREED TO DO. BOTH PRIME MINISTER MAMDUH SALEM AND ABU ISMAIL TOLD DEPUTY SECRETARY ROBINSON THAT, DURING VP MUBARAK'S VISIT, THE SHAH HAD AGREED TO AN IRANIAN BANK GUARANTEE. SALEM SPOKE OF $250 MILLION BANK GUARANTEE. EITHER THE EGYPTIANS HAVE IT WRONG, WHICH IS QUITE POSSIBLE, OR THE EGYPTIANS WERE NOT SUPPOSED TO

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TELL US ABOUT THE SHAH'S ALLEGED COMMITMENT TO MUBARAK.
I THEREFORE MADE NO MENTION OF SALEM'S OR ABU ISMAIL'S
PERTINENT COMMENTS. IN ANY CASE, THE OFFICIAL
IRANIAN LINE AT THE MOMENT SEEMS TO BE THAT IF
USG WILL PUSH THE OIL COMPANIES TO RESUME NEGOTIATIONS,
IRAN MIGHT BE ABLE TO HELP EGYPT AND THAT ALL OF THIS
OUGHT TO BE DONE BEFORE SADAT'S VISIT IN MID-JUNE.
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